Responses to Investment Consultant Services RFP Questions

1. Can you please provide the most recent report showing the assets in each of the investment options for the 457(B) Companion Plan? The information provided shows the investment options, the fund expenses but not the assets in each fund

Asset allocation by fund

The balances reflected are based on all actively employed and separated from service plan participants. The participant balances do not include any outstanding loan amounts.

		As of 3/31/2025			As of 3/31/2026		
Asset class	**Investment option**	**Total balance**	**% of total**	**Participants**	**Total balance**	**% of total**	**Participants**
Asset Allocation	Nuveen Lifecycle 2010 R6	$904,103	0.40%	113	$754,099	0.29%	109
	Nuveen Lifecycle 2015 R6	$5,379,839	2.40%	157	$4,992,118	1.90%	142
	Nuveen Lifecycle 2020 R6	$13,628,155	6.07%	427	$13,583,267	5.17%	385
	Nuveen Lifecycle 2025 R6	$26,119,854	11.64%	950	$26,966,712	10.26%	874
	Nuveen Lifecycle 2030 R6	$25,362,579	11.30%	1,200	$29,215,492	11.11%	1,206
	Nuveen Lifecycle 2035 R6	$23,537,044	10.48%	1,337	$28,863,270	10.98%	1,395
	Nuveen Lifecycle 2040 R6	$21,181,792	9.44%	1,454	$26,288,523	10.00%	1,520
	Nuveen Lifecycle 2045 R6	$20,126,240	8.97%	1,738	$25,203,136	9.59%	1,815
	Nuveen Lifecycle 2050 R6	$16,751,689	7.46%	1,863	$21,868,107	8.32%	1,936
	Nuveen Lifecycle 2055 R6	$7,125,938	3.17%	1,457	$9,808,444	3.73%	1,530
	Nuveen Lifecycle 2060 R6	$2,490,641	1.11%	938	$3,602,582	1.37%	1,004
	Nuveen Lifecycle 2065 R6	$756,208	0.34%	529	$1,680,038	0.64%	668
	Nuveen Lifecycle Retirement Income R6	$520,075	0.23%	18	$707,092	0.27%	26
Bond	Baird Core Plus Bond Inst	$1,209,823	0.54%	67	$1,129,449	0.43%	71
	Vanguard Total Bond Market Index Adm	$3,592,479	1.60%	321	$3,662,924	1.39%	328
Brokerage	Empower SDB Securities	$1,649,756	0.73%	30	$2,426,882	0.92%	28
	Empower SDB Sweep Program	$502,492	0.22%	28	$83,336	0.03%	27
Fixed	EI Fixed Account - Series Class VI	$32,601	0.01%	2	$74,947	0.03%	4
	Galliard Stable Return Fund C	$2,856,118	1.27%	295	$2,745,697	1.04%	269
International	MFS Intl Diversification R6	$393,522	0.18%	26	$609,886	0.23%	53

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Asset allocation by fund

The balances reflected are based on all actively employed and separated from service plan participants. The participant balances do not include any outstanding loan amounts.

		As of 3/31/2025			As of 3/31/2026		
Asset class	**Investment option**	**Total balance**	**% of total**	**Participants**	**Total balance**	**% of total**	**Participants**
International	Vanguard Total Intl Stock Index I	$6,571,429	2.93%	652	$9,461,694	3.60%	682
Large Cap	Vanguard Institutional Index I	$31,307,349	13.95%	1,032	$37,218,472	14.16%	1,100
Mid Cap	JPMorgan SMID Cap Equity R6	$7,368,596	3.28%	697	$6,980,005	2.65%	664
Money Market	Dreyfus Government Cash Mgmt Inst	$3,082	0.00%	679	$2,690	0.00%	623
	Vanguard Treasury Money Market Inv	$3,898,529	1.74%	144	$3,357,428	1.28%	157
Specialty	Cohen & Steers Realty Shares	$1,211,000	0.54%	570	$1,405,937	0.53%	546
Stable Value	New York Life Ins Co Anchor Account IV	$7,151	0.00%	4	$215,017	0.08%	9

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2. Can you please provide the most recent report showing the assets in each of the investment options for the 401(a) Plan? The information provided shows the investment options, the fund expenses but not the assets in each fund

Asset allocation by fund

The balances reflected are based on all actively employed and separated from service plan participants. The participant balances do not include any outstanding loan amounts.

		As of 3/31/2025			As of 3/31/2026		
Asset class	Investment option	Total balance	% of total	Participants	Total balance	% of total	Participants
Asset Allocation	Nuveen Lifecycle 2010 R6	$306,062	1.19%	8	$320,854	0.72%	9
	Nuveen Lifecycle 2015 R6	$105,944	0.41%	5	$109,530	0.25%	14
	Nuveen Lifecycle 2020 R6	$1,365,440	5.32%	19	$1,454,089	3.27%	40
	Nuveen Lifecycle 2025 R6	$2,317,707	9.04%	31	$2,691,497	6.05%	120
	Nuveen Lifecycle 2030 R6	$3,552,172	13.85%	54	$4,206,380	9.46%	195
	Nuveen Lifecycle 2035 R6	$2,657,068	10.36%	72	$4,291,356	9.65%	286
	Nuveen Lifecycle 2040 R6	$1,272,237	4.96%	64	$2,843,326	6.39%	317
	Nuveen Lifecycle 2045 R6	$1,935,298	7.55%	90	$4,283,832	9.63%	411
	Nuveen Lifecycle 2050 R6	$1,781,690	6.95%	92	$3,646,362	8.20%	520
	Nuveen Lifecycle 2055 R6	$1,249,172	4.87%	65	$3,302,303	7.42%	533
	Nuveen Lifecycle 2060 R6	$217,181	0.85%	88	$2,359,421	5.30%	573
	Nuveen Lifecycle 2065 R6	$219,914	0.86%	206	$3,669,800	8.25%	1,366
	Nuveen Lifecycle Retirement Income R6	$36,633	0.14%	2	$41,913	0.09%	3
Bond	Baird Core Plus Bond Inst	$469,940	1.83%	9	$506,610	1.14%	14
	Vanguard Total Bond Market Index Adm	$258,825	1.01%	17	$403,343	0.91%	27
Brokerage	Empower SDB Securities	$36,436	0.14%	1	$158,062	0.36%	3
	Empower SDB Sweep Program	$13,888	0.05%	2	$14,303	0.03%	4
Fixed	EI Fixed Account - Series Class VI	$0	0.00%	0	$7,576	0.02%	2
	Galliard Stable Return Fund C	$179,969	0.70%	17	$187,905	0.42%	18
International	MFS Intl Diversification R6	$137,614	0.54%	4	$216,662	0.49%	14

Asset allocation by fund

The balances reflected are based on all actively employed and separated from service plan participants. The participant balances do not include any outstanding loan amounts.

		As of 3/31/2025			As of 3/31/2026		
Asset class	Investment option	Total balance	% of total	Participants	Total balance	% of total	Participants
International	Vanguard Total Intl Stock Index I	$706,156	2.75%	34	$1,115,377	2.51%	66
Large Cap	Vanguard Institutional Index I	$4,809,278	18.75%	67	$6,506,600	14.63%	119
Mid Cap	JPMorgan SMID Cap Equity R6	$1,394,507	5.44%	42	$1,443,859	3.25%	53
Money Market	Dreyfus Government Cash Mgmt Inst	$0	0.00%	0	$606	0.00%	33
	Vanguard Treasury Money Market Inv	$297,916	1.16%	11	$375,950	0.85%	18
Specialty	Cohen & Steers Realty Shares	$323,164	1.26%	26	$320,442	0.72%	33
Stable Value	New York Life Ins Co Anchor Account IV	$0	0.00%	0	$144	0.00%	1

3. Can you please provide the reason for issuance of this RFP?
    - We have issued this RFP as a part of our regular 6-year bid process.

4. Is the scope outlined in the RFP consistent with your current consultant's contract? If not, what has changed?
    - The scope is consistent with what our current consultant's contract.

5. Can you please provide the current annual fee being paid for these services?
    - Annual fee for 2025 is $54,417
      Annual fee for 2026 is $56,049

6. Does the current consultant provide "Member investment education and financial wellness services and support, as requested" today or provided similar services in recent years? Can you provide any additional details about what services might be needed (group educational meetings, one-on-one sessions, written resources, etc.?
    - This service has not been heavily utilized historically. From a Board perspective, additional information or education may occasionally be requested at a Subcommittee or Board meeting on specific topics—for example, the use of annuities within a defined contribution plan.

      From a member perspective, our provider generally delivers the educational resources needed. However, the consultant may be asked to review these materials periodically to ensure accuracy and to identify any potential concerns.

7. We noticed that the Plans offer four capital preservation investment options. Are any of these options frozen to new contributions?
    - No

8. In Section 2 (SCOPE OF WORK), Item B (Additional consulting services shall include, but are not limited) on page 30, please provide further detail on what is meant by "Technical assistance for legislative proposals and plan design changes"
    - Every other year, the North Dakota Legislature convenes and may introduce legislation that could affect these plans. When bills are proposed, NDPERS reviews them with our consultant to identify any potentially problematic language and to recommend revisions that would strengthen or clarify the legislation.

9. In Section 16 (COMPLIANCE WITH PUBLIC RECORDS LAWS) on page 39, the language states “CONTRACTOR shall contact STATE immediately upon receiving a request for information under the public records law and shall comply with STATE’s instructions on how to respond to that request.” Please provide STATE’s instructions for our review to ensure that we can comply with them.
    - The State’s instructions will vary depending on the nature of the request. It is important to recognize that all correspondence—including emails, presentations, and formal memoranda—between the vendor and NDPERS is subject to North Dakota open records laws and may be accessible to members of the public.

10. **Section 3.2.1, paragraph one:** How many fund replacement searches are generally issued each year? How many funds are currently on the formal fund review list, and can you provide more insight into that process?
    - Each quarter, the Investment Subcommittee conducts a review of all funds performing below their respective benchmarks. The consultant then provides recommendations regarding which funds should be placed on formal watch status or considered for potential replacement.

      At present, five funds are being monitored by the Subcommittee, though none have been formally designated for watch. Replacement searches are initiated as the Committee determines they are warranted, many times at the recommendation of the consultant.

Active Manager Monitoring Summary

As of March 31, 2026

Manager	Below Benchmark	Above Benchmark		Above Peer Median		Qualitative Assessment					Overall Eval.
	8 Straight Quarters	3-Year Period	5-Year Period	3-Year Period	5-Year Period	Firm	Team	Process	Perf.	Product	
Small/Mid Cap Equity											
JPMorgan SMID Cap Equity	No	No	No	No	No						Cautionary
International Equity											
MFS International Diversification	No	No	No	No	No						Stable
Fixed Income											
Baird Core Plus Bond	No	Yes	Yes	Yes	Yes						Stable
Stable Value											
Galliard Stable Value	Yes	No	No	Yes	Yes						Stable
Sector Fund											
Cohen & Steers Realty Shares	No	Yes	Yes	Yes	Yes						Stable

Overall Evaluation	Status and Actions
Stable	Firm, Team, Strategy are performing as expected
Noteworthy	Manager has a qualitative or quantitative factor worth highlighting
In Review	Callan is proposing that the fund be added to the watchlist
Cautionary	Staff is reviewing strategy with consultant and scheduling an update meeting with manager
Terminating	Following staff review and consultant recommendation, manager will be terminated following a successful replacement search

- JPMorgan SMID had another challenging quarter due to positioning and lags across all trailing periods
- A tough 2025 caused MFS International to now trail over the 1-, 3-, and 5-year periods, but it outpaced during the quarter and remains ahead over 7 years
- The unique nature of stable value and the wrap guarantees has caused Galliard to continue to trail the 3-month T-Bil

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11. **Section 3.3.1, paragraph two:** This section indicates that the recordkeeper RFP should be issued in December, with responses due in January. When does the Board expect to receive the final analysis provided by the Consultant?
    - When the recordkeeper RFP is issued, the intent is to collaborate with the consultant to establish a timeline that supports a smooth and successful implementation. The current recordkeeper's contract expires in 2028 and includes two optional two-year renewal periods. As a result, it is possible that a new recordkeeper RFP may not be initiated until the plan year beginning July 1, 2032.

12. **Section 3.4.1, paragraph two:** This section indicates that additional consulting services may include member investment education. Do "members" refer to members of the Board, or to participants in the plan?
    - This service has not been heavily utilized historically. From a Board perspective, additional information or education may occasionally be requested at a Subcommittee or Board meeting on specific topics—for example, the use of annuities within a defined contribution plan.

      Members refer to participants in the plan.

      From a member perspective, our provider generally delivers the educational resources needed. However, the consultant may be asked to review these materials periodically to ensure accuracy and to identify any potential concerns.

13. Is the scope for this mandate the same as what the existing consultant is working under? Is the RFP intended to fill any gap in current services?
    - The scope for this RFP is the same as what the current consultant is working under. The RFP is not intended to fill any gaps in current services.

14. Please indicate the amount you are currently paying the incumbent consultant for current services on an annual basis.
    - Annual fee for 2025 is $54,417
      Annual fee for 2026 is $56,049

15. Can you clarify whether the consultant is expected to attend all quarterly NDPERS Investment Subcommittee meetings in person, or if virtual participation is permitted for some or all meetings?
    - Virtual attendance is acceptable for quarterly Investment Subcommittee meetings and regular Board meetings, as needed. Consultants will be required to attend in person for vendor interviews conducted during the Recordkeeper Request for Proposal process.

16. We note that the investment menu is streamlined in terms of the number of options. Is it the Investment Subcommittee's intention to continue with a streamlined menu or is there any interest in expanding the menu where appropriate (e.g. consider an inflation hedging option)?
    - The Subcommittee conducted an exercise to streamline the fund lineup during the transition to the new recordkeeper in July 2024. The Subcommittee remains

interested in receiving consultant recommendations regarding the current lineup, including both potential additions and the elimination of funds that may no longer be necessary.

Our objective is to maintain a well-constructed menu that offers appropriate diversification and choice, while avoiding an excessive number of options that could create confusion for participants.

17. Have there been any investment fund changes over the past year? Please describe.
    - No, the last fund lineup change was when we changed our recordkeeper effective July 1, 2024.

18. What is the rational for the issuance of the RFP?
    - We have issued this RFP as a part of our regular 6-year bid process.

19. Can NDPERS confirm if you are looking for 3(21) or 3(38) advisory services or would you like us to provide a quote for both options and key differences between the service models?
    - NDPERS is a governmental entity and therefore not subject to ERISA requirements. However, the Board places significant emphasis on its fiduciary responsibility. The consultant will be expected to provide guidance on best practices that support and reinforce the Board's fiduciary obligations.

20. Please confirm the amount of assets in the NDPERS 401(a) Defined Contribution plan and the number of members (Section 2.2, pages 6/7).
    - As of 3/31/25 total participant assets in the NDPERS 401(a) Defined Contribution plan were $44,478,105 and there were 4,420 participants with a balance.

21. Can NDPERS confirm what level/depth of financial literacy/participant education services you are looking for the advisor to provide? Services in this regard are typically offered as a flat fee rather than an hourly cost. Can you confirm if we can quote these via a flat fee (Section 3.4.1 and Section 5.1)
    - This service has not been heavily utilized historically. From a Board perspective, additional information or education may occasionally be requested at a Subcommittee or Board meeting on specific topics—for example, the use of annuities within a defined contribution plan.

From a member perspective, our provider generally delivers the educational resources needed. However, the consultant may be asked to review these materials periodically to ensure accuracy and to identify any potential concerns.

Historically, these services have been included within the flat fixed fee. However, if a request requires a more substantial effort that would necessitate additional consultant resources, NDPERS would prefer that any incremental work be billed on an hourly basis. This approach allows NDPERS to conduct an appropriate cost-benefit analysis before proceeding with the service.

22. Are Investment Subcommittee meetings required to be in person each quarter or is there a virtual meeting option (Section 3.1.1)?
    - Virtual attendance is acceptable for quarterly Investment Subcommittee meetings.

23. Can NDPERS clarify when you expect to issue the recordkeeper RFP for the 457(b) Companion Plan and 401(a) Defined Contribution Plan? The text on page 9 indicates in 2032 or sooner, but text on that same page mentions December/January (Section 3.3.1).
    - The current recordkeeper's contract expires in 2028 and includes two optional two-year renewal periods. As a result, it is possible that a new recordkeeper RFP may not be initiated until the plan year beginning July 1, 2032.